

(Official Form 1) (9/01)

<b>FORM B1</b>		<b>United States Bankruptcy Court District of Maryland (Greenbelt Division)</b>		<b>Voluntary Petition</b>																
Name of Debtor (if individual, enter Last, First, Middle): <b>PG&amp;E National Energy Group, Inc.</b>			Name of Joint Debtor (Spouse) (Last, First, Middle): <b>N/A</b>																	
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names): <b>PG&amp;E Diversified Investments, Inc.</b>			All Other Names used by the Joint Debtor in the last 6 years (include married, maiden, and trade names): <b>N/A</b>																	
Soc. Sec./Tax I.D. No. (if more than one, state all): <b>94-3316236</b>			Soc. Sec./Tax I.D. No. (if more than one, state all): <b>N/A</b>																	
Street Address of Debtor (No. & Street, City, State & Zip Code): <b>7600 Wisconsin Avenue Bethesda, Maryland 20814</b>			Street Address of Joint Debtor (No. & Street, City, State & Zip Code): <b>N/A</b>																	
County of Residence or of the Principal Place of Business: <b>See Schedule 1 annexed hereto</b>			County of Residence or of the Principal Place of Business: <b>N/A</b>																	
Mailing Address of Debtor (if different from street address):			Mailing Address of Joint Debtor (if different from street address): <b>N/A</b>																	
Location of Principal Assets of Business Debtor (if different from street address above):  Direct or indirect ownership interests in electric power generating plants and related assets in various states throughout the United States. The stock certificates are located in Rockville, Maryland.																				
<b>Information Regarding the Debtor (Check the Applicable Boxes)</b>																				
Venue (Check any applicable box) <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.																				
Type of Debtor (Check all boxes that apply)  <input type="checkbox"/> Individual(s) <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____  <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker			Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (Check one box)  <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Sec. 304 - Case ancillary to foreign proceeding <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13																	
Nature of Debts (Check one box) <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business  Chapter 11 Small Business (Check all boxes that apply) <input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101 <input type="checkbox"/> Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e) (Optional)			Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.																	
Statistical/Administrative Information (Estimates only) <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.					<b>THIS SPACE IS FOR COURT USE ONLY</b>															
Estimated Number of Creditors <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">1-15</td> <td style="text-align: center;">16-49</td> <td style="text-align: center;">50-99</td> <td style="text-align: center;">100-199</td> <td style="text-align: center;">200-999</td> <td style="text-align: center;">1000-over</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>						1-15	16-49	50-99	100-199	200-999	1000-over	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
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<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>PG&amp;E National Energy Group, Inc.</b>		<b>FORM B1, Page 2</b>
<b>Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet)</b>				
Location Where Filed: <b>N/A</b>	Case Number: <b>N/A</b>	Date Filed: <b>N/A</b>		
<b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)</b>				
Name of Debtor: <b>See Schedule 2</b>	Case Number:	Date Filed:		
District:	Relationship:	Judge:		
<b>Signatures</b>				
<b>Signature(s) of Debtor(s) (Individual/Joint)</b>  I declare under penalty of perjury that the information provided in this petition is true and correct. (If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7) I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.  X _____ Signature of Debtor  X _____ Signature of Joint Debtor  _____ Telephone Number (If not represented by attorney)  _____ Date		<b>Exhibit A</b>  (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11) <input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.		
Signature of Attorney X _____ Signature of Attorney for Debtor(s)  Paul M. Nussbaum, Esq. (No. 04394) Martin T. Fletcher, Esq. (07608) Whiteford, Taylor & Preston Seven Saint Paul Street, Suite 1400 Baltimore, Maryland 21202-1626 (410) 347-8700  July 8, 2003 Date		<b>Exhibit B</b>  (To be completed if debtor is an individual whose debts are primarily consumer debts) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.  X _____ Signature of Attorney for Debtor(s)      Date		
<b>Signature of Debtor (Corporation/Partnership)</b>  I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.  X _____ Signature of Authorized Individual John C. Bapoulis Printed Name of Authorized Individual  Vice President & Treasurer Title of Authorized Individual  July 8, 2003 Date		<b>Exhibit C</b>  (To be completed if debtor is an individual whose debts are primarily consumer debts) Does the debtor own or have possession of my property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input type="checkbox"/> No		
		<b>Signature of Non-Attorney Petition Preparer</b>  I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.  _____ Printed Name of Bankruptcy Petition Preparer  _____ Social Security Number  _____ Address  _____ Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:  If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.  X _____ Signature of Bankruptcy Petition Preparer  _____ Date  A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.		

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(Greenbelt Division)**

	)	
In re:	)	Chapter 11
	)	
PG&E National Energy Group, Inc.,	)	Case No. 03-____(____)
	)	
Debtor.	)	
	)	

**EXHIBIT "A" TO VOLUNTARY PETITION**

1. The Debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934. The SEC file number is 333-66032.

2. Unless expressly stated otherwise herein, the following financial data refers to the latest available information detailing the unaudited financial condition of the Debtor, on a stand-alone basis, as of May 31, 2003:

a) Total assets:	\$1,830,871,544
b) Total debts (including debts listed in 2.c below)	\$1,785,861,315 <sup>1</sup>
c) Debt securities held by more than 500 holders	None <sup>2</sup>
d) Number of shares of preferred stock	None
e) Number of shares of common stock	1,000 shares authorized, issued and outstanding
f) Approximate number of holders of common stock	1 Holder of Record <sup>3</sup>

<sup>1</sup> This amount excludes guarantee claims.

<sup>2</sup> The Debtor does not have an updated list of holders, but based on information available to the Debtor, the Debtor believes the number of holders is less than 500.

<sup>3</sup> PG&E Corp. is the sole shareholder of PG&E National Energy Group, LLC, which owns 97% of PG&E National Energy Group, Inc. The other 3% is owned by various entities, primarily by General Electric and Lehman Brothers.

3. Comments, if any: The Debtor has one outstanding series of public debt securities, the number of holders of which the Debtor believes is less than 500.

4. Description of Business: The Debtor is a holding company that owns directly or indirectly nearly 200 subsidiaries (collectively, the "Company"). The Company is an integrated energy company with a strategic focus on power generation, natural gas transmission and wholesale energy marketing and trading in North America.

**SCHEDULE 1**

PG&E National Energy Group, Inc. is incorporated in Delaware, and maintains its headquarters in Montgomery County, Maryland.

## **SCHEDULE 2**

Pending Bankruptcy Case Filed by any Partner or Affiliate of Debtor PG&E National Energy Group, Inc.

A) Concurrently herewith, each of the following entities, in addition to the Debtor, has filed a voluntary petition and a motion with the Court seeking the joint administration of their respective chapter 11 cases in the United States Bankruptcy Court for the District of Maryland:

PG&E Energy Trading - Power, L.P.  
PG&E Energy Trading Holdings Corporation  
PG&E Energy Trading - Gas Corporation  
PG&E ET Investments Corporation

B) Concurrently herewith, the following entity has filed a voluntary petition for relief under chapter 11, but will not seek joint administration with the Debtor:

USGen New England, Inc.

C) On April 6, 2001, Pacific Gas and Electric Company (the "Utility"), an affiliate of the Debtor, filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court of the Northern District of California, Case No. 01-30923. The Utility's chapter 11 case is pending before the Honorable Dennis A. Montali.